

Sales to exempt organizations of tangible personal property required to be registered with an agency of this State may be made tax exempt even if a member of the organization is listed along with the exempt organization on the application for title. See 86 Ill. Adm. Code 130.2005 and 130.2007. (This is a GIL).

June 22, 2001

Dear Xxxxx:

This letter is in response to your letter dated May 10, 2001. The nature of your letter and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120 subsections (b) and (c), which can be found at <http://www.revenue.state.il.us/legalinformation/regs/part1200>.

In your letter, you have stated and made inquiry as follows:

We are writing to request clarification of rules and/or regulations regarding the use of a tax exempt status for a non-profit organization, namely a church, in the State of Illinois. Our concerns are specifically directed to the purchase of vehicle(s) used by the church or by the Pastor of a church. Thank you for your prompt response to this inquiry.

Organizations that make application to the Department and are determined to be exclusively religious, educational, or charitable, receive an exemption identification number (an "E" number). This number evidences that this State recognizes that the organization qualifies as exempt from incurring Use Tax when purchasing tangible personal property in furtherance of its organizational purpose. Only sales to the organization holding the E number are exempt, not sales to individual members of the organization. See 86 Ill. Adm. Code 130.2005 and 130.2007.

However, some clarification is in order with regard to sales to exempt organizations of tangible personal property that is required to be registered with an agency of this State. Sales to exempt organizations of tangible personal property required to be registered with an agency of this State may be made tax exempt even if a member of the organization is listed along with the exempt organization on the application for title. This is the case as long as the exempt organization is the purchaser of the item, the purchase is made in furtherance of the exempt organization's purpose, and the name of the exempt organization is listed on the application for title. An example of this would be a church that purchases a car to be used in furtherance of the church's purposes. As long as the church is the purchaser of the car, the purchase is made in furtherance of the church's purposes, and the church's name is listed on the application for title, the sale will be tax exempt even though the minister is listed along with the exempt organization on the application for title.

I hope this information is helpful. The Department of Revenue maintains a Web site, which can be accessed at www.revenue.state.il.us. If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of the enclosed copy of Section 1200.110(b).

Very truly yours,

Martha P. Mote
Associate Counsel

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Enc.